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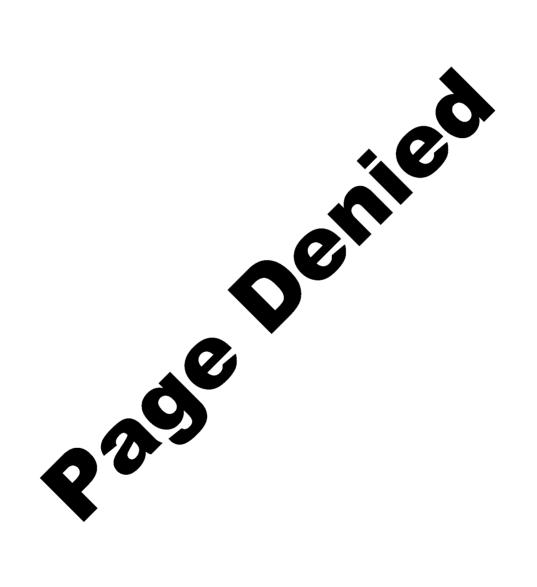
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## National Intelligence Bulletin

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## **ARGENTINA**

The resignation of the Argentine cabinet, announced last night, appears designed to attenuate the rising opposition to President Peron's administration by demonstrating that the President, not her controversial welfare minister and chief adviser, Jose Lopez Rega, is in charge.

The President, in fact, may be moving not to lessen her reliance on Lopez Rega, who is also her private secretary, but merely to create that impression. The President's reluctance to limit Lopez Rega's role has led directly to her current problems with labor leaders, who hold Lopez Rega responsible for the government's decision to annul wage hikes negotiated last month.

Some leaders of the Peronist labor confederation reportedly now feel that Lopez Rega's ouster is their most important goal—more important than gaining a reversal of the decision on wages. The cabinet's resignation came only hours before the start of a two-day general strike, the second since the government's decision.

Opposition politicians have called openly for the dismissal of Lopez Rega, and even members of the ruling Peronist party are increasingly anxious for his departure. And although they remain cautious, the military have indicated their sentiments. In a statement issued during the weekend, the service chiefs listed among their "principal concerns...giving the President the freedom of action to change the members of her cabinet." The reference was clearly to Lopez Rega.

The Buenos Aires press in recent days has joined the chorus against Lopez Rega. Stories on his possible departure have proliferated, despite fears of retaliation by the right-wing terror squads that the minister is said to control.

Politicians and military officers are thus joining for the moment with organized labor in opposing a common enemy, but the alliance is not necessarily a happy one. Both the politicians and the officers realize that if a change of government is indeed hastened by pressure from labor, the workers, who are becoming steadily more undisciplined, will be an exceedingly difficult force to deal with.

Labor's leaders, for their part, do not necessarily wish to force the departure of the President along with Lopez Rega. As the legitimate heir of Juan Peron, she is essential to their efforts to retain control of the labor movement.

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